

**PROVIDENCE HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR MEETING: Thursday, June 27, 2013; 5:30 p.m.**

PHA Conference Room

100 Atwells Avenue

Providence, RI 02903

CALL TO ORDER

Chairman Nicolas Retsinas called the meeting to order at 5:30 p.m.

ROLL CALL

Present:

Nicolas Retsinas
Thomas Ryan
Dolores Cascella
Roger Giraud
Ricardo Patino
JT Taylor
Dorothy Waters

Absent:

John Igliozi
Kevin Jackson
Nicholas Narducci
Hilary Silver

Seven members were present constituting a quorum to conduct business.

APPROVAL OF MINUTES

Chairman Retsinas asked for a motion to accept and approve the regular meeting minutes of 05/23/13, the motion was made by Commissioner Patino seconded by Commissioner Cascella. The minutes were approved with a unanimous voice vote.

RESIDENT'S COMMENTS

Director Tavares introduced Special Projects Officer, Lisa Castellanos, who presented an award to resident, Sonny Johnson of Kilmartin Plaza for his dedicated service and outstanding accomplishments in the Kilmartin community and on the Resident Advisory Board for the past 5 years. Director Tavares also wanted to recognize the three Commissioners who are very active on the Resident Advisory Board, Chairman Taylor, Dorothy Waters, and Dolores Cascella. Their participation and involvement greatly assist the PHA and is well appreciated.

Chairman's Report

Chairman Retsinas stated that it has been a very difficult start to the summer with the tragic shootings at Hartford Park and Chad Brown. He stated, it is going to take our vigilance and support, especially with the budget cuts, some of the community programs and police efforts are not going to be at the level we expect them. The Chairman and Director have been meeting with a group of community leaders as well as the police department regarding implementing additional programs in the developments, and have been soliciting outside support to raise money for these programs. The Chairman stated the support of the Commissioners would be essential.

Secondly, the Chairman inquired whether the board thought of combining the July and August meetings together as one. The consensus of the commissioners was to keep the meetings separate, July and August. He asked that the commissioners pay close attention to the quorums and give notification if they cannot attend a meeting.

INTERIM EXECUTIVE DIRECTOR'S REPORT

Director Tavares expressed his sadness regarding the violence that has affected our agency directly or indirectly with the three shootings that involved a relative of one of our section 8 tenants who died, the Hartford Park incident with the fatality of a 12 year old girl, and one of our

residents being wounded, and in the neighborhood of Chad Brown, the shooting incident of a resident's 20 year old son.

Jack Costa is working very closely with the police department to review a reorganization of our resources to better utilize them and make them more efficient. Financially we have limitations as to what we can do, but we are avoiding any financial cuts to the security department. We are working with any and all community groups to make sure that the youth will have summer programs and to provide them with a safe haven.

Director Tavares stated that he had preliminary meetings with the four unions to discuss the budget and challenges that we will be facing and the Human Resource decisions that will have to be made. As to discussions pertaining to required wage and insurance reopener, the Director feels that they had some very productive negotiations. Although difficult decisions will have to be made, he is optimistic that he will have the understanding and cooperation of the unionized labor as we move forward.

Lastly, back in March and April of 2012 the Department of Enforcement reviewed our agency and issued a report addressing some issues. Great lengths have been taken to deal with these issues before fiscal year end and Director Tavares is optimistic that this will come to a close. Upon receiving the final details from HUD, he will have a full report that will be presented at the July meeting.

Commissioner Cascella voiced her concerns with security and having the residents sign a petition to make sure that there will be enough funds for security. Director Tavares assured the commissioner that he and security are in direct contact with the police department and City Hall, and that they are committed to resolve our concerns for the safety for our residents. He assured the commissioners that he would relay the concerns of the residents at his next meeting with the police and City Hall.

Chairman Retsinas commented that the PHA is looking for resources for community programming as well as heightened enforcements.

COMMITTEE REPORTS:

- Budget and Finance: (Comm. Giraud)
- Resident Services: (Comm. Silver)
- Capital Improvements: (Comm. Cascella)
- Executive Committee: (Chair Retsinas) Verbal Report

Commissioner Patino commented that the Providence Espanol had a positive article about the Youth Safe Haven in Hartford Park.

The Chairman stated that the Executive Committee held interviews with three of the Search Firms and the committee is recommending the firm of Gans Gans & Associates. This firm is at the lower end of the fees in the amount of \$12,825.00 for the national search for an Executive Director, and they are the firm that HUD chooses when they are searching for an Executive Director.

Chairman Retsinas asked for a vote to engage Gans Gans & Associates to conduct the Executive Director search. Commissioner Cascella moved, seconded by Commissioner Waters. The motion passed with a unanimous voice vote.

The Chairman asked for a motion to extend the Interim Executive Director's contract past September 1, 2013 to December 31, 2013, since the search for an Executive Director will take months to conduct. Commissioner Cascella made a motion, seconded by Commissioner Taylor. Said motion passed with a unanimous voice vote.

RESOLUTIONS:

#4220 –Approval of Providence Housing Authority's FY2014 Operating Budget.

OLD BUSINESS

NONE

NEW BUSINESS

Director Tavares introduced Linda Poole, Acting CFO of the Accounting Department, Ms. Heather Silva-King, Grant Management Officer, and Mr. Robert Previte, Section 8 Accountant to give their presentation of the FY2014 Budget. Director Tavares addressed the board with a brief highlight of the overall budget and challenges the PHA is facing financially and he explained the accounting terminology. He stressed that we have \$3.6 million less in revenue than last year. As presented with this budget the AMPS will have a projected deficit of approximately \$500,000, but there will be a surplus in the COCC of approximately \$600,000 to offset the deficit. More importantly, without additional actions, we will be at a dangerous point with an operational reserve of only \$147,000 which is 90% less than last years budgeted operational reserve of \$1.4 million. The Director pointed out the remedies the PHA has taken in this budget thus far with Attrition, people who have retired will not be replaced, and with taking four (4) furlough days which represents approximately \$140,000-\$160,000. He further stated that he would address the budget and operational reserve needs by implementing the following, with general staff layoffs being the last resort:

1. Continued reduction/elimination of non-essential expenses
2. Continued attrition of staff – non-essential vacancies will not be filled
3. Reorganize to maximize efficiencies and produce cost savings
4. Furlough days – 4 initially planned, will add or subtract based on need
5. General staff layoffs

Linda Poole presented the breakdown of the budget along with a slide presentation. Bob Previte stated with the Net Restricted Assets (NRA) we are at \$903,229 which is the projection through 6/30, and at the current rate of spending \$121,000 per month, this amount will be depleted by January, 2014. In addition, the administrative fee reserve is coming up to depletion.

Chairman Retsinas asked Bob to elaborate on some of our options in worse case scenario in light of the above. Bob explained to the board that housing assistance payments could bring down the voucher standard and paying less per unit without reducing the units. Director Tavares interjected; the Federal Government gives the PHA money to assist tenants who live in private units. The remedy is if the Federal Government doesn't give us enough money, we stop issuing vouchers. We have 90 units under contract that come up for an annual renewal and we could not renew those. The catch 22 is that we are paid on a dollar fee per voucher, so if we diminish our vouchers issued we diminish the administrative revenue. The only remedy on the administrative side is to cut costs, and the costs would be Human Resources. We are addressing it with Attrition, furloughs and lay-offs in the department, based on need. On the housing side, we are addressing the remedies with curtailment of all non-essential expenses also mirroring what we are doing on the administrative side with Attrition of the staff, the four furlough days with the understanding that there will be more if needed. Our first furlough day will be August 23rd. Each and every department will be reviewed for efficiency and changes that can be consolidated which will require staff deductions.

Commissioner Patino suggested we contact the property owners and advise them that we will be cutting back on the amount of the vouchers because of the cuts we are receiving from HUD. The Director stated, a study was made to see how much income that would return and it's not enough to make an impact on the administrative side which is more severe. It would stretch the dollars in vouchers and we will take advantage of that if we can.

Chairman Retsinas commented, FY2014 will be a very difficult year and we will make the changes were it will have the least impact to the residents and the safety of the developments.

Director Tavares also noted that we have incorporated what we believe will be challenges into the budget. As in the health reform act that was enacted in January, 2013, we are now required to cover employees who did not have health insurance and we have factored those figures into the budget. We have a conservative budget based on the information that we have. Paramount on the Section 8 side, HUD is paying more attention to the 'troubled agencies'. We are paying close attention to how HUD is dealing with Cumberland Housing, what exemptions they will allow them and provisions they will make for them. That will give us an indication of how they will deal with us should the situation arise. Commissioner Ryan is very concerned with the razor thin reserve of the \$146,000 budget. He suggested that in the event that Section 8 has to cut contracts, they start thinking of getting a contingency and thinking about Capital Improvements. Chairman Retsinas agreed with the commissioner and said we should put some plans together for the 'what if' the situation gets much worse than anticipated.

Commissioner Taylor is upset with the tenants at the scattered sites and the damage that's being done to the properties. She stated with the sequester and cutbacks, we can't afford to have tenants in our properties that have no respect, and it's costing the PHA money that we don't have. Marv Carmody commented that all tenants are charged for damages to PHA properties, and that anyone who sees this behavior going on needs to report it to the PHA so that we can take further action. Another issue she wanted to point out was the amount of rent for some tenants only paying \$25.00 due to no income, yet they are traveling back and forth out of the country, they have cell phones, and driving new cars. She is aware of one instance of abuse where our tenant is paying \$25.00 a month and sub-leasing their residence for \$1,700.00. She said she is going to write a letter to HUD with her concerns. Chairman Retsinas said that anyone who sees fraud going on needs to report it to the attention of the authorities at the PHA in order to initiate an investigation.

Director Tavares commented that we have 2,500 units and we do the best we can with dealing with some of these issues. Attorney Michelle Bergin is in court almost on a daily basis processing evictions with a good success rate along with our fraud recovery department doing a great job as well. The Chairman asked Attorney Bergin to explain the steps of the eviction process. She explained that it takes approximately 30 days, if legal services doesn't get involved, to process the eviction. If legal services does get involved, the process could take up to 3 months going through the court system. The Director will have the fraud department make a presentation at one of the meetings so there is a better understanding of the process.

Chairman Retsinas asked Commissioner Giraud, Chairman of the Finance Committee, for a motion to approve Resolution #4220, Commissioner Giraud moved, seconded by Commissioner Taylor. A roll call vote was taken. Said motion was unanimously passed 7/0.

Chairman Retsinas thanked Commissioner Taylor for the calendars and said we will resume the board meetings at the sites with the July meeting at Manton Heights to talk about the CNI Initiative.

ADJOURNMENT

There being no further business, Chairman Retsinas accepted a motion to adjourn by Commissioner Patino, seconded by Commissioner Cascella. Said motion passed with a unanimous voice vote.

The meeting adjourned at 6:30 p.m.

Minutes Submitted and Approved By:

Lisa Cancelliere
Recording Secretary

Paul Tavares
Interim Executive Director